

“The Struggle is Real: Socio-Economic Challenges Faced by Women Entrepreneurs”

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Abstract

Women entrepreneurs contribute significantly to economic growth, employment generation, and societal upliftment globally. Despite growing participation, they face persistent socio-economic challenges that limit their entrepreneurial potential and sustainability. This study explores the multidimensional barriers including financial constraints, cultural norms, lack of institutional support, and gender biases. Through a comprehensive review of literature and qualitative synthesis of research, the article aims to highlight these challenges, discuss their implications, and propose recommendations for an enabling environment to ensure women entrepreneurs thrive.

Key words: Economic, growth, financial constraints, cultural norms, barriers

Introduction:

Entrepreneurship is increasingly recognized as a key driver of economic development and social change. Women entrepreneurs, constituting nearly half of the global workforce potential, have become instrumental in innovation and community development. However, women face disproportionate barriers that hinder access to resources, markets, and opportunities compared to male counterparts. These barriers are deeply rooted in socio-cultural norms, economic structures, and institutional frameworks. Understanding these challenges is essential to promote women-led businesses and inclusive economic growth. Women not only face external structural barriers but also internalized socio-cultural expectations that demand balancing family and work responsibilities, limiting their business growth opportunities. Governments and organizations worldwide have initiated support programs but a systemic assessment of persistent challenges highlights gaps and unexplored areas that require attention.

Review of literature:

1. Historical Context of Women Entrepreneurship in India

Research indicates that women in India have traditionally been engaged in household-based economic activities, handicrafts, agriculture, and cottage industries (Jhamtani, 2011). However, post-liberalization reforms in the 1990s opened new markets and credit channels, creating a push for women's participation in small-scale and service-oriented businesses (Mehta, 2013). Government initiatives such as **SIDBI's Mahila Udyam Nidhi Scheme**, **Stand Up India**, and **Women Entrepreneurship Platform (NITI Aayog)** reflect an institutional recognition of women entrepreneurs as a growth engine (Goyal & Parkash, 2011).

2. Access to Finance

Access to finance remains one of the most discussed challenges. Indian women entrepreneurs often lack collateral due to patriarchal property rights and inheritance laws, leading to dependence on informal credit or self-financing (Kumari, 2012; Venkatesh, 2016). Even though banks and microfinance institutions offer targeted schemes, studies show limited outreach and awareness (Dhameja, 2002; Sharma, 2018). The problem of "financial exclusion" is more pronounced in rural areas where women-led enterprises remain unregistered and informal (Rao, 2014).

3. Socio-Cultural Barriers and Gender Norms

Patriarchal social structures continue to shape women's entrepreneurial opportunities in India. Family restrictions, mobility constraints, and societal attitudes toward working women often limit entrepreneurial aspirations (Deshpande & Sethi, 2010). Research indicates that women entrepreneurs must constantly balance business activities with domestic responsibilities, leading to "time poverty" and constrained scaling-up capacity (Mukherjee, 2016).

4. Education, Skills, and Training

Educational attainment and skill development directly affect entrepreneurial success. While urban educated women have leveraged professional training and managerial education to enter IT, education, and service sectors, rural women still face barriers in literacy and digital skills (Sarkar, 2015; Shastri & Rao, 2014). Skill-based training programs under initiatives like **Skill India** and **Rural Self-Employment Training Institutes (RSETIs)** have helped, but evaluations reveal gaps in follow-up support and market linkage (Kumar & Singh, 2018).

5. Networking and Market Access

Research in India suggests that women entrepreneurs generally lack access to professional networks, trade associations, and supply chains dominated by men (Sharma & Varma, 2008). Women-owned businesses are concentrated in small-scale retail, handicrafts, food processing, and personal services—sectors characterized by limited scalability and low profitability (Tripathi & Singh, 2012). The digital marketplace has provided new opportunities; however, issues of digital literacy and trust in online transactions remain barriers for many (Nair, 2020).

6. Policy and Institutional Support

Government programs such as **Rashtriya Mahila Kosh (1993)**, **MUDRA Yojana (2015)**, and **Stand-Up India Scheme (2016)** were designed to empower women entrepreneurs. Studies, however, note the "implementation gap"—awareness, procedural delays, and bureaucratic hurdles prevent full utilization of these schemes (Goyal & Prakash, 2011; Sharma, 2018). Non-Governmental Organizations (NGOs) and Self-Help Groups (SHGs) have played a crucial role in financial inclusion and collective entrepreneurship, especially in states like Andhra Pradesh, Tamil Nadu, and Kerala (Deshpande, 2011).

7. Digital and Technological Challenges

The rise of digital entrepreneurship has created opportunities for Indian women through platforms like Etsy, Amazon, and social media businesses. However, research shows that rural-urban divides in internet penetration, lack of digital literacy, and cybersecurity concerns limit the scale of women-led e-businesses (Kaur, 2020). Despite initiatives such as **Digital India**, gender gaps in smartphone ownership and digital financial services persist.

8. Intersectionality: Rural vs Urban Women Entrepreneurs

Literature highlights sharp contrasts between urban and rural women entrepreneurs. Urban women benefit from higher education, exposure, and better access to credit institutions. In contrast, rural women entrepreneurs struggle with infrastructural deficiencies, low literacy, and limited mobility (Rani, 2017). Additionally, caste, religion, and class dimensions intersect with gender, influencing entrepreneurial outcomes in India (Subramanian, 2019).

9. Emerging Trends and Future Directions

Recent studies highlight positive trends such as the rise of women-led start-ups in technology, education, and healthcare sectors (NASSCOM, 2019). Angel investors and women-focused incubators are slowly reshaping the entrepreneurial ecosystem. However, scholars argue that structural barriers in finance, gender norms, and institutional frameworks continue to restrict large-scale participation and sustainability (Kumar, 2020).

Objectives of the study

- To analyse socio-economic challenges faced by women entrepreneurs that affect business sustainability and growth.
- To assess impacts of cultural, financial, and institutional barriers on women entrepreneurs.
- To identify gaps in support mechanisms and policy frameworks affecting women-led enterprises.
- To provide recommendations for enabling inclusive entrepreneurial ecosystems for women.

Research Methodology

This study uses a qualitative descriptive research design, synthesizing peer-reviewed journal articles, government reports, and credible institutional publications from 2010 to 2025. Literature was collected using databases like Google Scholar, ResearchGate, and academic journals focused on entrepreneurship and gender studies.

Secondary qualitative data from case studies, surveys, and interviews conducted in various referenced studies were collated. Themes were categorized under financial, cultural, institutional, market-related, and psychological challenges. This approach allows a holistic understanding of prevailing socio-economic barriers and best practices for improving women entrepreneurship.

Challenges confronting women entrepreneurs:

1. Institutional and Policy Challenges

Many policies aimed at encouraging women entrepreneurship are generic or poorly implemented. Women entrepreneurs face bureaucratic hurdles, lack of formal recognition, and inadequate representation in decision-

making bodies. Furthermore, education and training programs often fail to address women's specific needs, impacting skill acquisition and confidence.

2. Marketing, Technology, and Market Access

Studies find women lag in adopting new technology, accessing broad markets, and professional marketing strategies. Constraints include lack of training, financial resources, and confidence to compete on larger platforms.

3. Psychological Barriers

Lack of self-confidence, fear of failure, and internalized inferiority complexes deter many women from pursuing or scaling entrepreneurial ventures. Psychological factors are deeply intertwined with societal conditioning and limited exposure to successful role models.

4. Access to Finance

One of the biggest hurdles for Indian women entrepreneurs is access to finance. The estimated credit gap stands at ₹9.5 lakh crore, and women receive only a small portion of venture capital or bank loans. Most banks demand collateral such as property or land, which many women do not own due to inheritance inequalities. As a result, women often depend on personal savings, gold loans, or informal credit sources. This lack of sufficient funds restricts their ability to scale operations, adopt new technology, or survive market competition, making financial exclusion a major barrier to business sustainability and growth.

5. Dependence on Informal Sector

A large proportion of women in India operate small, home-based or micro-enterprises in sectors like tailoring, handicrafts, food processing, or beauty services. Many of these businesses remain unregistered and fall under the informal sector. While such ventures provide immediate income, they lack access to government schemes, subsidies, formal bank loans, and tax benefits. Moreover, informal businesses have limited visibility in official data, which reduces their chances of support or recognition. This dependence on informality prevents women from expanding their enterprises, accessing larger markets, or achieving long-term sustainability, leaving them vulnerable to competition from larger, formally recognized businesses.

6. Family Responsibilities & Societal Norms

Indian women entrepreneurs face the dual burden of managing household responsibilities alongside their businesses. Social expectations often compel them to prioritize domestic roles such as childcare, cooking, and elder care. These cultural norms also discourage women from entering high-growth, male-dominated industries, confining them to traditional sectors. Balancing multiple roles limits their time and focus on business strategy, networking, or expansion. This constant juggling reduces efficiency and makes it difficult for women to scale their ventures. As a result, many businesses remain small, less competitive, and unable to achieve long-term sustainability in India's highly demanding entrepreneurial ecosystem.

7. Digital & Technology Divide

Despite financial inclusion programs, digital adoption among women entrepreneurs remains low. While 86% of women own bank accounts, only about 28% actively use digital payments. Factors such as low digital literacy, fewer smartphone users among women, and high mobile data costs limit their ability to adopt technology. Without digital skills, women entrepreneurs are excluded from opportunities like online sales, e-commerce platforms, and digital marketing. This reduces their visibility, access to customers, and ability to compete in modern markets. The digital divide not only slows their business growth but also perpetuates inequality in India's rapidly evolving digital economy.

8. Networking & Mentorship Gap

Entrepreneurial success often depends on access to professional networks and mentors who provide guidance, resources, and market linkages. However, women in India face significant barriers to such opportunities due to social restrictions and male-dominated business ecosystems. The lack of women role models also weakens confidence and inspiration for aspiring entrepreneurs. Without strong mentorship or networking platforms, women entrepreneurs often operate in isolation, missing collaborations, partnerships, and knowledge-sharing opportunities. This gap slows down business growth, reduces market expansion, and limits innovation. Strengthening mentorship and networking access is essential to improve sustainability and long-term success for women-led businesses.

9. Legal & Structural Barriers

Legal and systemic obstacles create additional challenges for Indian women entrepreneurs. Accessing formal loans often requires collateral, property documents, or male family consent, which many women lack due to inheritance and ownership inequalities. Complicated bureaucratic processes for registrations, licenses, and approvals discourage them from formalizing businesses. This leads many to operate informally, restricting access to subsidies, tax benefits, and government support. Legal awareness among women entrepreneurs is also relatively low, making them vulnerable to exploitation. These structural barriers weaken sustainability and growth by preventing women from entering larger markets or accessing institutional resources that could strengthen their enterprises.

Impacts of cultural, financial, and institutional barriers on women entrepreneurs:

1. Cultural Barriers

Traditional gender roles, patriarchal mind-sets, and societal expectations limit women's mobility, sectoral choices, and decision-making freedom. Many face resistances from families when pursuing business, especially in male-dominated industries. This cultural constraint reduces participation, confidence, and long-term entrepreneurial success.

2. Financial Barriers

Access to finance remains the biggest obstacle, with a credit gap of nearly ₹9.5 lakh crore for women-owned businesses. Women lack collateral due to unequal property rights, forcing them to rely on personal savings, gold loans, or informal borrowing. Limited financial literacy further weakens their capacity to utilize banking and government schemes.

3. Institutional Barriers

Complex bureaucratic procedures, limited awareness of government schemes, and male-centric business ecosystems act as institutional obstacles. Women entrepreneurs often struggle with licenses, registrations, and compliance processes. Inadequate mentorship and exclusion from trade associations reduce growth opportunities. These institutional hurdles restrict women's integration into formal markets, affecting their sustainability and scalability.

Support mechanisms and policy frameworks:

1. Policy Gaps

The Government of India has launched several schemes—**Mudra Yojana**, **Stand-Up India**, **PM SVANidhi**, and **Startup India**—to support entrepreneurs, including women. However, studies show that only **25–30% of women entrepreneurs are aware** of such schemes, particularly in rural areas. For example, Mudra loans provide up to ₹10 lakh, but many women cannot apply due to lack of collateral or procedural knowledge. Policies also fail to address **non-financial barriers**, such as the absence of affordable childcare, gendered skill-training, and low property ownership among women. Additionally, weak monitoring of schemes reduces accountability, meaning even well-designed policies do not achieve their full potential.

2. Support Mechanism Gaps

While initiatives like NITI Aayog's Women Entrepreneurship Platform (WEP), SIDBI's women-focused funds, and state-run incubation programs exist, their reach is limited. Most rural and semi-urban women lack access to structured mentorship or digital upskilling programs. According to a 2023 NASSCOM report, fewer than **10% of women-led startups benefit from incubators or accelerators**. Moreover, schemes like **Stand-Up India** require borrowers to submit detailed business plans and documentation, which many first-generation women entrepreneurs struggle with. The lack of **women-specific trade networks, marketing linkages, and e-commerce training** further restricts their growth, making support mechanisms less effective in building competitive enterprises.

3. Institutional Weaknesses

Government bodies such as banks, district industries centers, and cooperative agencies remain **male-dominated**, which often discourages women from seeking assistance. For example, loan sanctioning delays and rigid collateral requirements reduce women's trust in banks. Even though **Mudra** loans are collateral-free, women often rely on male guarantors to access them. Coordination between **central schemes (e.g., Stand-Up India)** and **state-level programs** is weak, creating confusion and duplication. Moreover, grievance redressal mechanisms are poorly accessible, leaving women without recourse when facing discrimination or delays. As a result, many women entrepreneurs prefer informal funding and networks, leading to underutilization of formal institutional support.

Recommendations:

1. Policy Frameworks

India has introduced schemes like Mudra Yojana, Stand-Up India, and PM SVANidhi to promote women entrepreneurship, yet their impact is limited due to poor awareness and a "one-size-fits-all" approach. Many women, especially in rural and semi-urban areas, are unaware of eligibility criteria or procedural requirements. Furthermore, policies rarely consider women's unique socio-economic realities, such as lack of property ownership, childcare responsibilities, or access to gender-sensitive training. Strengthening policy outreach through local institutions, self-help groups, and digital campaigns can improve awareness. A stronger monitoring mechanism is needed to ensure that policies benefit intended groups rather than remaining underutilized. Addressing gender-specific barriers in design and execution will make policies more inclusive and impactful.

2. Financial Access:

One of the most pressing challenges for women entrepreneurs in India is access to credit. The current ₹9.5 lakh crore credit gap reflects systemic barriers, including collateral requirements, high interest rates, and complex documentation. Although schemes like Mudra provide collateral-free loans, many women still depend on male guarantors, which undermines independence. Moreover, women often lack financial literacy, making it difficult to understand loan terms or digital banking. Expanding collateral-free financing, simplifying paperwork, and integrating financial literacy and digital banking training into loan disbursement processes can bridge this gap. Collaboration with fintech platforms and microfinance institutions can further create faster, more inclusive access to credit for women.

3. Support Mechanisms:

Beyond finance, women entrepreneurs need robust mentorship, incubation, and networking support to grow sustainably. While initiatives like NITI Aayog's Women Entrepreneurship Platform (WEP) exist, they reach only a small percentage of women-led businesses. Rural and first-generation entrepreneurs especially lack access to structured guidance and digital training. Creating women-focused incubators, professional networks, and market linkages can help bridge this divide. Building strong e-commerce training and marketing platforms

will also enable women to expand beyond local markets and compete globally. By strengthening support ecosystems, women entrepreneurs can enhance innovation, visibility, and long-term competitiveness.

4. Social Awareness

Social perceptions continue to limit women's entrepreneurial participation in India, where traditional norms often confine them to household roles. Awareness campaigns at the community level, led by NGOs, self-help groups, and local institutions, can play a transformative role in shifting mind sets. By showcasing successful women entrepreneurs and normalizing women's business roles, these initiatives strengthen community and family support, which is crucial for business growth and sustainability.

5. Work-Life Balance

Women entrepreneurs often struggle to balance domestic responsibilities with business commitments, leading many to exit entrepreneurial activities prematurely. Incorporating flexible work arrangements and childcare facilities within entrepreneurship programs can reduce this burden. Community-based childcare near training hubs or incubation centers allows women to participate more actively in business development. Such measures help women maintain business continuity while managing household obligations, ensuring long-term sustainability of their enterprises.

Conclusion

Women entrepreneurs are pivotal to economic development, yet face enduring socio-economic challenges rooted in finance, culture, policy, networking, and psychology. Addressing these multidimensional barriers requires concerted efforts from governments, financial institutions, communities, and women themselves. Improved access to financial resources, institutional reforms, supportive networks, and empowerment through education can unlock their full potential, fostering inclusive and sustainable entrepreneurship.

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